

Legislative Assembly of Alberta

Title: **Wednesday, May 5, 1993**

2:30 p.m.

Date: 93/05/05

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

We give thanks to God for the rich heritage of this province as found in our people.

We pray that native-born Albertans and those who have come from other places may continue to work together to preserve and enlarge the precious heritage called Alberta.

Amen.

head: **Presenting Petitions**

MR. KOWALSKI: Mr. Speaker, today I received a petition from a group of Albertans on the steps of the Legislature. Since the rules of the Assembly do not permit ministers to file petitions, I've sent the petition to the Legislature Librarian. I would like to file my conveyance letter and would ask that a page deliver this material to the Librarian.

MR. WICKMAN: Mr. Speaker, I would like to file the actual copies of thousands of petitions related to the same situation, asking that the minister responsible for multiculturalism be relieved in that portion of her responsibility.

MS M. LAING: Mr. Speaker, I would like to file a further 5,000 signatures from Albertans calling for the resignation of the Minister of Community Development.

head: **Reading and Receiving Petitions**

MR. CHIVERS: Mr. Speaker, might the petition that I filed recently with regard to reduction in MLA pensions be read and received? It would be satisfactory to wait another day.

MR. SPEAKER: Thank you, hon. member. Tomorrow is probably a good day.

head: **Introduction of Bills**

Bill 365 Child Welfare Amendment Act, 1993

MR. SEVERTSON: Mr. Speaker, I request leave to introduce Bill 365, the Child Welfare Amendment Act, 1993.

This Bill proposes to improve access to adoption records for adoptees, birth parents, and their families while providing for the establishment of a contact veto registry for people who do not wish to be reunited. It is my hope that this Bill will help to set up a dialogue between the government and Albertans towards opening up adoption information.

Thank you.

[Leave granted; Bill 365 read a first time]

head: **Tabling Returns and Reports**

MR. JONSON: Mr. Speaker, this afternoon I would like to table with the Assembly four copies of Achieving the Vision, the 1992 report card of Alberta Education on the education system of the province. I would also like to table with the Assembly this

afternoon four copies of the 87th annual report of Alberta Education.

MR. ISLEY: Mr. Speaker, as required, I am tabling four copies of the 1992 annual report of the Alberta Veterinary Medical Association and also the 1992 annual report of the office of the Farmers' Advocate.

MR. KOWALSKI: Mr. Speaker, it's my pleasure today to table with the Assembly the Department of Public Works, Supply and Services' 1991-92 annual report.

MR. BRASSARD: Mr. Speaker, it gives me pleasure to table the 1992 annual report of the Alberta Social Care Facilities Review Committee.

MR. SPEAKER: The Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. I wish to table four copies of the annual report of the Alberta Water Resources Commission for the year 1991-92.

MR. BRADLEY: Mr. Speaker, it's my pleasure to table the annual report for 1992 of the Alberta Research Council. Copies have previously been sent to all members.

head: **Introduction of Special Guests**

MR. ADAIR: Mr. Speaker, it's my pleasure today to introduce to you and through you to the members of this Assembly a friend of mine Mr. Larry Langley, who recently left CBC in Edmonton after 28 years of service. I never thought that I'd have the opportunity to introduce anybody formerly with the CBC. This white-haired and white-whiskered gentleman, who is Alberta's answer to Colonel Sanders, is in the members' gallery, and I would ask him to stand and receive the warm welcome of this Assembly.

MR. JONSON: Mr. Speaker, this afternoon it's my pleasure to be able to introduce to you and through you to members of the Assembly 56 grades 7, 8, and 9 students from Bluffton school located in the Ponoka-Rimbey constituency. They are accompanied by teachers Mrs. Jensen, Mrs. Johnston, and Mr. Boyko. They are seated in the public gallery, and I would ask them to stand and receive the traditional warm welcome of the Assembly.

MR. SPEAKER: Innisfail.

MR. SEVERTSON: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of the Assembly 37 grade 6 students from the Innisfail John Wilson elementary school. They're accompanied by their teachers Ms. Oszli and Mrs. Parker and parents Mrs. Newsham, Mrs. Dow, Mrs. Dick, Mr. and Mrs. Moore, and Mrs. McDonald. I'd ask them to rise and receive the warm welcome of the Assembly.

Mr. Speaker, it is also my pleasure to introduce to you and through you to the members of the Assembly approximately 25 members of the Parent Finders organization. They are here today to see the introduction of Bill 365, the Child Welfare Amendment Act. Parent Finders provides search advice and support to adoptees, birth parents, and families trying to find out more about adoptions. There are more than 700 members across the province. They are led by their president, Paul Linott, and their political co-ordinator, Jackie Schmidt. They are in the members'

gallery and the public gallery. I would ask them now to rise and receive the warm welcome of the Assembly.

head: **Ministerial Statements**

MR. SPEAKER: The Minister of Environmental Protection.

Pitch-in Week

MR. EVANS: Thank you, Mr. Speaker. I'd like to take this opportunity to invite all hon. members and Albertans to participate in Pitch-in Week, which is taking place until May 9. The 1993 theme is: cleaning up the world starts at home. Armed with brooms, shovels, and rakes hundreds of thousands of volunteers will take part in Canada's largest environmental cleanup campaign. Volunteers in 250 communities across Alberta will conduct 1,200 pitch-in projects, including cleaning up downtown streets, remote mountain trails, and our highways. Communities are also organizing composting and recycling projects, planting trees, mounting displays in shopping malls, and taking part in a host of other activities that make us all the more aware of what we can do to reduce and properly dispose of waste.

As a partner with industry, the private sector, and local governments Alberta Environmental Protection is pleased to be a sponsor of Pitch-in Week. For many communities involving citizens in a cleanup during Pitch-in Week is only a first step, Mr. Speaker. The second step is to involve them on an ongoing basis by encouraging waste reduction, reusing, composting, and where feasible, recycling. All these activities are encouraged and supported by Environmental Protection.

Once again I encourage all Albertans to participate in Pitch-in Week, and I applaud the efforts of Pitch-in Week organizers and the hundreds of thousands of volunteers who make this week a success across our great country.

2:40

MR. MARTIN: Mr. Speaker, I feel very charitable today, so I'm going to agree with the total ministerial announcement. It is important that volunteers participate this way. I think it's good for them, but also it's good for our community. As the minister mentions, it's only the first step. We have to move I think more rapidly than we are towards encouraging waste reduction, reusing, composting, and as he said, "where feasible, recycling." The only thing I would say is that it's nice to give encouragement to these activities. I think though, as other jurisdictions have in the past, that we may have to look at laws in terms of recycling. That's where it's most effective. Certainly I would reiterate what the minister is saying and encourage as many Albertans as possible to involve themselves in this very important venture.

head: **Oral Question Period**

Provincial Budget

MR. MARTIN: Mr. Speaker, the Premier and the Provincial Treasurer have been talking tough about the provincial deficit. We see almost a macho contest between brutal-cuts Liberals and massive-cuts Conservatives. Now, the Treasurer says that it's a four-year plan. I just want to quote from a document that may be familiar to people in the Legislature, and it says:

We must take action now to realign the government finances. Deficits in the order of \$3 billion cannot be allowed to continue . . . We would be passing to our children and grandchildren the responsibility of paying the bills for the services we enjoy today . . . Our fiscal strategy is to reduce our deficit sharply in '87-88 and to balance the budget by 1990-91.

Guess where that came from? The budget speech from this government. Same old gang; same old plan. I want to ask the Treasurer this: why should Albertans believe anything this government says since their forecasts have been wrong every year since 1987?

MR. DINNING: Well, Mr. Speaker, I know that the hon. Leader of the Opposition is as excited about hearing the budget speech as I am in telling Albertans about it. I will have the opportunity to do that tomorrow night at 8. Tune your dial to CKUA or Access television.

You said: same old team. Well, clearly it's not, Mr. Speaker. Premier Ralph Klein is in charge. He is listening to Albertans, and what Albertans have told Premier Klein is to get your financial house in order, get spending in line with revenues, not vice versa, and put in place a plan to balance the budget. We listened to Albertans. We've listened, and they'll see that message tomorrow night.

MR. MARTIN: Well, Mr. Speaker, they've been listening since 1987.

Mr. Speaker, he says that it's a new gang. I look across there. There are the ministers of transportation, economic development, agriculture, the Treasurer, the two Deputy Premiers. Weren't they around in 1987? My question simply is this: why are we to believe them now? I would remind you that the Premier has been there since 1989. He had a balanced budget in 1991 according to the budget statement. Why should we believe you now? Why should any Albertans believe you now?

MR. DINNING: Well, Mr. Speaker, I know that's a good political question. He might have scored points for tonight's television broadcast. The more important thing is: that's talk; you'll see action on this side of the House at 8 p.m. tomorrow.

MR. MARTIN: Mr. Speaker, it's all talk at this point. My question to the minister is simply this. These are all budget speeches that he was part of before. Here is the one from 1991, when the Treasurer at the time said: "The 1991 budget delivers on . . . our commitments to Albertans. Mr. Speaker, this is a balanced budget." Now, the Treasurer was a minister then, and I want to ask him again: why should we believe you now when we couldn't believe you in the past? What's changed?

MR. DINNING: Well, Mr. Speaker, I'll repeat again: the hon. member across the way can talk; Albertans will see action in our budget speech tomorrow night. You know, the hon. member may laugh, and I see him smirking over there, but I'll tell you that you're going to see action in tomorrow night's Budget Address. I challenge the hon. member to do the same tomorrow night. Why doesn't he lay out his plan for tomorrow night? That's the challenge I would throw out to him. I repeat: Albertans will see action by this government in its budget tomorrow night.

Transitional Funding for the Unemployed

MR. MARTIN: Mr. Speaker, I'd like to move over to the Minister of Labour with a very important issue. In most other provinces older workers who are laid off and use up their unemployment benefits - I'm talking about older workers between 55 to 64 - can qualify for transitional funds to take them to retirement age. Now, this is 70 percent funded by the federal government and 30 percent by participating provincial governments. Of course, Alberta does not participate in this program. I want to say

that this government is really throwing people to the scrap heap. We know of at least 50 from the Westar mine in the Crownest Pass, and they can't do anything about it. My question to the Minister of Labour is simply this: why won't the Minister of Labour participate in this program to help these workers who have little prospect of finding work?

MR. DAY: Mr. Speaker, the reference there is to a program called a program for older workers, and some provinces have joined in with the federal government on this particular program. Alberta some time ago made a decision not to do that. We have a number of programs that are in place in terms of upgrading, retraining, re-education, job-readiness programs that are available to workers of every age, rather than the type of program that was put in place, and those are the reasons for it.

MR. MARTIN: Mr. Speaker, these people are from 55 to 64. What are you going to train them for? That's why you have the program.

The problem that we're facing is simply this: these people are left to the scrap heap; they're falling through the cracks. If this government had any compassion at all, surely they would take the money. It would be roughly \$750,000. They're going to end up paying more in welfare anyhow. Why don't they do the right thing and participate in this program for these 50 miners?

MR. DAY: Well, there are about three questions there, Mr. Speaker. I'll try and address them. The workers referred to were working in British Columbia, and the federal/provincial program provides for workers working in that province to be covered by that particular program. It's a very clear precedent, if anyone would take the time to look at the history of this. There are other provinces, other situations where workers working in one province, living in another, which wasn't covered by this particular agreement, indeed are covered by the province in which they are working. Those provinces were faithful to go through with the agreement. That's the situation, and that's the same situation here.

MR. MARTIN: Well, Mr. Speaker, the reality is that these people live in Alberta and pay taxes in Alberta, and if they have to apply for welfare, Alberta will be paying for it. So it doesn't make any sense even in an economic way not to do this. I'd ask the minister to reconsider and look at this situation and see if he will participate with the federal government.

MR. DAY: The reality is, Mr. Speaker, that the situation is being looked at; discussions are ongoing. As a matter of fact, as recently as yesterday I discussed the matter with the corresponding minister in British Columbia. The situation is quite plain. It has been in place, and this is the way it's worked: if you're part of this program, when you have workers working in your province, indeed the program is there to cover for them. That's the way it's been set up. There's no identifying factor that they have to actually be resident in that particular province. It's simply deemed those who are resident in Canada. That's how other provinces do it. They handle it that way without any problem, and we're encouraging the B.C. government to see it the same way other provinces have handled it also.

2:50

International Offices

MR. DECORE: Mr. Speaker, Alberta spends \$11 million each year on foreign offices in London, England, in New York, in Houston, in Japan, and in Hong Kong. No real evidence exists

that these offices are cost-effective to the taxpayers of Alberta. In Ontario the government commissioned a review, and when the review was finished, the review was made public. As a result of that review, 17 foreign offices were closed and \$17 million a year for taxpayers in Ontario is being saved. Alberta sent two retiring MLAs on a \$45,000 junket to look over some of the offices in our stable of offices, but we've seen no report. My first question to the minister responsible is this: will the minister give Alberta taxpayers specific details of the report that was submitted to him from these two retiring MLAs telling the Alberta government what it should do with these foreign offices?

MR. SPARROW: Yes, Mr. Speaker, when I receive it.

MR. DECORE: Mr. Speaker, another good reason to show why we're in such a financial mess, why we're in \$11 billion of net debt: there is no planning; there is no thought of planning.

My second question is this. The last budget review that was done in this Assembly on foreign offices clearly showed that there was no proper cost/benefit analysis to Alberta taxpayers. How can the government justify thinking of opening new offices?

MR. SPARROW: Mr. Speaker, the international offices and our consultants and contract people that are abroad have been doing a very, very good job. They can do better and they will do better with less. Their budget definitely will be reducing, like every other budget. We will be streamlining the operations in all of the existing offices the member has mentioned. We're presently looking at reducing space requirements in New York, Tokyo, and London and downsizing them.

At the same time, the major opportunity that the businesses of Alberta have is to increase our trade exports from \$19 billion to \$24 billion over the next four years. Mr. Speaker, that could cause up to 75,000 jobs. We in Alberta have to maintain and facilitate the opportunity for businesses throughout the international marketplace and increase those market sales. We're presently trading with 150 countries, and we have to facilitate an expansion of that trade. I would like to see the ideas that the member opposite has on how he would do it.

MR. DECORE: Mr. Speaker, all Albertans listen to our Premier talking about opening new trade centres in Siberia, one in New Delhi, and one in Taiwan, and the minister admits that he hasn't yet received a copy of a report from the two MLAs that were sent out to the world to review what our offices are doing. How can you justify talking about opening new offices in New Delhi, Siberia, and Taiwan when you don't even know what's going on, minister?

MR. SPARROW: I have been talking with the two MLAs. They have given me verbal reports, and those ideas and others have already been incorporated into our economic strategy and others, Mr. Speaker. The final document will be made public with their final report when it's finished.

You can't speak out of both sides of your mouth, Mr. Leader of the Liberal Party. I'm reading Visions of Prosperity that you put out: "locate an Alberta trade officer directly in the target country's Canadian embassy." We did that in Seoul. We're doing it. We've just moved the individual into the Canadian embassy, and you say in your strategy that we should do that. We've moved the office in Taiwan to the Canadian Chamber office to cut down costs and to work with others. Yes, we have put a person in Tyumen at a cost of about \$100,000, which is the total office costs and the facilitation of that person by two locally hired

people. In that trade, Mr. Speaker, we have one of their people here in Alberta, in Edmonton, to facilitate the materials purchase as needed by the companies that are over there. There are some 34 companies . . .

MR. SPEAKER: Thank you, hon. minister.
Calgary-Bow, followed by Edmonton-Calder.

Summer Employment Programs

MRS. B. LAING: Thank you, Mr. Speaker. My question today is for the minister of advanced education. As summer approaches, more and more students will be hoping to enter the job market. They desperately need a job, and without a job many young people will find themselves in a very difficult situation when they head back to school in the fall. Providing the right environment for long-term employment growth is a fundamental priority of this government. I know, though, that the young people in Calgary-Bow have some very serious concerns about getting a summer job. We would ask: what is the minister of advanced education doing to support young Albertans to find a job this summer?

MR. ADY: Mr. Speaker, the member is quite correct that there are an increasing number of students out there looking for jobs this summer and also that it's quite critical for their future in education that they find some meaningful employment that will give them some income to supplement their educational expenses.

As a government we have a two-pronged approach to support the youth in our province in finding jobs. First, we try to provide an environment that will help them in their job hunting endeavours to find prospective employers and to help them equip themselves with the right skills to get a job. Secondly, we have career development centres across the province to assist job seekers with job search techniques, employment information, and other support services. We have a network which does a reasonably good job of doing that. We also provide private entrepreneurship and business development information. I've received more than one letter from young people who have appreciated the help that we've given them. They've created their own jobs and been able to earn money to offset the cost of their education. We also . . .

MR. SPEAKER: Thank you, hon. member. Perhaps we'll get to a supplementary.
Calgary-Bow.

MRS. B. LAING: Thank you, Mr. Speaker. My supplementary is to the same minister. I'm very pleased to hear that the minister is doing the best he can in this area, and I'm encouraged to hear that participation has been very high. The minister mentioned the launching of the hire-a-student program in his reply. Has he received any information yet as to how well this program is doing?

MR. ADY: Mr. Speaker, I would like to give some preliminary information as it pertains to STEP. Although we don't have final figures, preliminary figures indicate that we will create in excess of 4,000 jobs this year through STEP. That's an increase of at least 800 jobs over the previous years with the same amount of money. By reallocating it and doing it just a little differently this year, we've been able to bring about that much of a change.

With respect to the hire-a-student program, not all of our offices are up-to-date and running yet. Indications are that on May 3 the Edmonton office had 190 job vacancies. Our job hot line has listed over 2,000 job vacancies since it started on April 1. In Calgary there were 660 jobs listed on the first day and 955 jobs

listed on the second day. I hope this number will increase. It would appear that the programs we have in place are responding to a considerable degree to help our young people find meaningful employment this summer.

Yellowhead Youth Centre

MS MJOLSNESS: Mr. Speaker, on Monday the Minister of Family and Social Services told this Assembly that there were no plans to cut seven positions at the Yellowhead Youth Centre, yet an April 1 internal memo from the executive director of YYC to all the staff – and I'll file copies – clearly states that seven positions will be abolished, and I quote:

At YYC, seven employees were approved by Executive Committee which subsequently means the positions can not be filled and are abolished.

I'd like to ask the minister: given that the minister is saying one thing while the department is saying another and people are confused and concerned about what exactly is going on, will he now put the record straight, stand behind his words of Monday, and clearly promise that no positions will be abolished at YYC?

3:00

MR. CARDINAL: Thank you very much. Mr. Speaker, I'd just like to advise the member that this minister is in charge of the department. I did visit the facility early this week and talked to the administrator of the facility. I talked to the frontline workers. I talked to some of the clients that were at that facility and advised them that if there is a need for additional staff at that facility, I will provide that service. I know that there are seven positions approved for early voluntary retirement. I have advised my deputy minister today, in fact, to make sure that the review is done immediately. If there is a need to fill additional positions in that facility, we will fill the positions.

MS MJOLSNESS: Well, Mr. Speaker, workers' futures are uncertain, and it's adding to the stress that they already incur because of their difficult jobs, and they would appreciate a decision from this minister.

My supplementary to the minister. My understanding is that he toured the facility on Monday, spending approximately 15 to 20 minutes at the facility, and talked to one or two of the staff. I'd like to ask the minister: if he is truly sincere about receiving input regarding the services at YYC and the need for services for the children there, will he now agree to meet with local 6 representatives who have been elected to represent the workers at that particular facility?

MR. CARDINAL: Mr. Speaker, I believe this minister has done his job in relation to reviewing the number of facilities we have in this province. In fact, I have a sheet here which shows that I have visited over 24 facilities in the last 100 days, because I do care about how those facilities operate and our government does care about how those facilities operate.

I want to advise the hon. member that I went out in the late evening to visit the facilities when a lot of the members, the day workers, were not present at the site. That was the only time I could go. I did visit the facility and talked to the administrator and some of the staff members that were present. If it requires another visit, I will do it again as soon as possible, Mr. Speaker, and I will meet with any of the members that work in that area.

MR. SPEAKER: Edmonton-Gold Bar.

Senior Citizens Programs

MRS. HEWES: Thanks, Mr. Speaker. Two years ago this government made painful and serious and damaging cuts to seniors. As an attempt to appease seniors, the government then embarked on a series of consultations with the promise that this would never happen again. Now the government has produced a flimsy document that is supposed to provide us with a comprehensive review of what seniors said and a plan of action. My questions are to the minister responsible for seniors. Seniors are telling us that this long overdue report is really a sanitized version of what was said at the meetings. I'd like to ask the minister: why was the report edited?

MRS. MIROSH: Mr. Speaker, seniors have a large number of programs and support the programs. We've had an open consultative process with the Member for Olds-Didsbury. Now the Member for Bow Valley, who is the chair of the Seniors Advisory Council, is continuing this consultative process, and he can probably supplement my answer. We intend to continue the programs. I myself have had open consultation with seniors around Alberta, and we are listening to them.

MRS. HEWES: Mr. Speaker, this is just all talk, talk, talk. The consultations were supposed to lead to something, and the report was supposed to have an action plan. I'd like to ask the minister: why are there no recommendations and absolutely no plan of action in this report? That's totally missing.

MRS. MIROSH: Well, Mr. Speaker, the consultative process was just that. Now we are meeting with seniors to put forward some recommendations, and they'll be coming forward shortly.

MR. SPEAKER: Olds-Didsbury, followed by Edmonton-Avonmore.

Social Assistance

MR. BRASSARD: Thank you, Mr. Speaker. For years governments everywhere have been looking for responsible but sensitive solutions to their welfare enrollment. Recently the Minister of Family and Social Services announced some fairly significant reforms to the social allowance programs that appeared to be a meaningful solution to at least part of the problem. To the Minister of Family and Social Services: could you tell this Assembly how much this program is expected to cost the Albertan taxpayer?

MR. CARDINAL: Mr. Speaker, I appreciate that question. This program is cost neutral, but I'll advise the hon. member that this program is not necessarily looking at the cost only. It's providing an additional service to an additional 10,000 individuals in Alberta for employment and training. So far this program has been fairly successful.

MR. BRASSARD: Mr. Speaker, there is a wide variety of reasons why people are receiving social allowance. Is the minister actually going to force people to work in order that they receive social allowance?

MR. CARDINAL: Mr. Speaker, like I said earlier in my statements when the program was announced, the three-year program is designed to provide an opportunity for people that want to work and get in the work force. I find that not very many people on welfare want to be on welfare. Therefore, we want to provide

that opportunity, and it will be done in a number of ways. Today I'd just like to report to the Assembly that the caseload has already dropped by 3,000 from the first quarter.

MR. SPEAKER: Edmonton-Avonmore.

Minister of Community Development

MS M. LAING: Thank you, Mr. Speaker. My question is to the Deputy Premier. Today the other Deputy Premier, the minister from Barrhead, received a petition on behalf of the Alberta Society for Dropping Dianne Mirosh from the Cabinet, 5,000 Albertans, which again reminds us that the Premier has appointed a minister to a portfolio for which she is totally inappropriate. Surely the primary objective of a minister responsible for multiculturalism is to promote harmony among Alberta's diverse population. Instead, we have a minister who is creating divisions. Given that the petition received today indicates that the minister has no credibility and that there is widespread disapproval of her actions among those whose interests she is supposed to be promoting and protecting, will the Deputy Premier now commit to petitioning the Premier to listen to Albertans and remove this minister from her post in the cabinet?

MR. ELZINGA: Mr. Speaker, the Premier and all of his government have done a very thorough job of listening to Albertans. One only has to see the actions that have been taken since December 5, when the Premier did assume the leadership of this party.

As it relates to her direct question, as the hon. member is aware, the rules of this House do not allow a minister to file or table a petition. He made sure that it was presented to the House even though he could not do it under the traditional procedure.

I should also indicate to the hon. member that when the Premier highlighted our strategy for economic development, he highlighted the outstanding contribution that many individuals who have come from other parts of the world have made to this great province of ours. The hon. minister whom she refers to, myself also – she is a daughter, I am a son of immigrant parents. We're proud of that fact, and we are proud that we can continue to contribute to this great province of ours.

MS M. LAING: Well, Mr. Speaker, what we are asking this Deputy Premier to do is to ask the Premier to listen to the Albertans who signed that petition. I would suggest also that many Albertans who were not born in this country or who were born in this country feel that this minister does not represent the interests of immigrant people.

Will the Deputy Premier now admit that the minister who is unwilling to take the duties of her portfolio to heart, instead only represents the views of what she calls her constituency and fails to promote multiculturalism? Would he now petition the Premier to set this minister back to the back benches where she belongs?

3:10

MR. ELZINGA: Mr. Speaker, the hon. member has simply repeat the question she put in her original question, and I thought I did a thorough job of answering her. If you'd like, I'm happy to repeat the answer to her. This minister, a daughter of immigrant parents, has contributed substantially to the welfare of this province, and we're proud of this minister. In addition to that, our Premier highlighted in his presentation as it related to the economic strategy the outstanding contribution those many people who have come from other parts of the world have made in contribut-

ing to the welfare of this great province of ours. I don't think there is nobody – nobody – in this great province who listens better than our Premier, and let those who might suggest otherwise ask seriously the Alberta population.

MR. SPEAKER: Edmonton-Kingsway, followed by Edmonton-Whitemud.

Research Council

MR. McEACHERN: Thank you, Mr. Speaker. My questions are to the Minister of Economic Development and Tourism. In 1982 an Alberta Research Council employee, Dr. Speros Moschopedis, and a colleague submitted a patent to the Alberta Research Council's patent committee for a coal pyrolysis process using coal and bitumen to produce a synthetic fuel. Two years later on June 1, 1984, Contar Systems Engineering Ltd. applied for a \$75 million federal research tax credit using basically the same process and data as developed by Mr. Moschopedis and his colleague. Considering that written agreements between ARC, the Alberta Research Council, and industrial clients is a common practice, can the minister explain why ARC did not sign a written agreement with Contar respecting this research before the June 1 application?

MR. SPARROW: Mr. Speaker, I would gladly look into the matter for the member if he would please put it on the Order Paper or give it to me directly. I have no knowledge of the specific transaction that he's talking about.

MR. McEACHERN: Well, that's funny. I've got a letter indicating that you responded to Mr. Moschopedis on some of his concerns just very recently. Also, we have the application from Contar which shows that they admitted in their application that its process was based on the ARC research.

So, Mr. Speaker, in the final analysis, Contar licensed a German patent for this process in November of 1984, and subsequently the Alberta government spent some \$5 million developing this pyrolysis process. Why didn't the Alberta government move to protect Alberta taxpayers who funded this research? Why were the responsible authorities at ARC not even reprimanded for giving away this in-house research?

MR. SPARROW: As I stated, if he would please give me the information, I would research it and give him an answer after the department and the Research Council have reviewed it and briefed me.

MR. SPEAKER: Pincher Creek-Crowsnest, are you chairman of the council?

MR. BRADLEY: The question is subject matter. This matter has been reviewed by the Alberta Research Council management. I've been involved in the matter in terms of trying to come to an agreement with the individual who raised the concern and had it referred to the Ombudsman, who has dealt with the matter.

Community Facility Enhancement Program

MR. WICKMAN: Mr. Speaker, I quote from an article in the *Mountaineer* dated March 17 in reference to an MLA meeting with the recreation board to explain the community facility enhancement program, and I'll table four copies of it. It's in reference to the Member for Rocky Mountain House. "Lund proposes to allot \$10.00 per capita (\$6.00 for recreation and \$4.00 for other uses)," the funds referred to, of course, being lottery dollars. To the

minister responsible for lotteries and that program: can the minister explain why a government member would refer to a specific allotment on a per capita basis for the use of community facility enhancement program dollars in his constituency?

MR. KOWALSKI: Mr. Speaker, not specifically I can't. I haven't seen the article, but I do know that the Member for Rocky Mountain House is a very, very good MLA. He certainly gets out and talks to all of his constituents. He meets with all of his constituents, and he shares information with respect to programs of the government.

The only thing, I guess, that I can probably do is just respond back to a similar type of question that we've had on numerous occasions in the last number of years. When the community facility enhancement program was reintroduced, the community facility enhancement program 2, it was announced to be a three-year program at a total maximum amount of \$75 million. I suspect what the energetic Member for Rocky Mountain House has done is simply counted up the number of seats in the Alberta Legislative Assembly and found there were 83 and just divided 83 into \$75 million and knows full well that the minister who applies this program does it in a very, very fair way across the province of Alberta and concluded that if you divided 83 into \$75 million, you came out with a certain number. Then he must have found out how many constituents he had and said, "Now, this is the fair way that I would ask the minister to further enhance distribution of these funds." Mr. Speaker, that's the way we have always done it: very fairly and equitably across this province of Alberta.

MR. WICKMAN: Same game, same name. I thought it was based on need.

Mr. Speaker, during the recent Tory leadership race a whisper campaign spread throughout the province that if the former Member for Edmonton-Glenora were to win, such grants would come to an end. To the minister responsible for lotteries: can the minister explain why his government continues to allow a system in which government members are allowed to use lottery funds for political gain?

MR. KOWALSKI: Mr. Speaker, in recent days I have received petitions from members of the Liberal caucus asking me to support certain applications. I know that the person sitting right beside the Member for Edmonton-Whitemud, the very distinguished Member for Edmonton-Gold Bar, has personally intervened to me. I don't even know if an application is coming, but I've already received a letter from her. The hon. Member for Calgary-McKnight has done the same thing. The other members have done the same thing. I don't understand what's going on here. The Member for Edmonton-Whitemud himself has sent me letters asking me to intervene in the process on behalf of something he's advocating.

Mr. Speaker, with respect to whisper campaigns, if the Liberal Party wants to create whisper campaigns, let them do it, but the men and women in the government caucus are above that. We believe in ethics, we believe in integrity, and we're an honourable group. We do not engage in whisper campaigns.

MR. SPEAKER: Cypress-Redcliff.

Special Places 2000

MR. HYLAND: Thank you, Mr. Speaker. I'd like to ask the Minister of Environmental Protection a question this afternoon relating to a policy or a procedure that's in place called Special Places 2000. During a debate some months ago in this Assembly

the Member for Banff-Cochrane, before he was appointed minister, talking on a motion, I believe, by the hon. Member for Edmonton-Jasper Place made certain comments related to what he would like to see done in ecological areas and other special areas of this province. I would ask the minister if he still believes in those comments that he made before he was responsible for that portion of the department and how has that been tied in with the Special Places 2000 proposal.

MR. BRUSEKER: Can't you read it more carefully than that?

MR. EVANS: Well, thanks very much, Mr. Speaker. I can't just off the top of my head recall all of my comments on this topic, but I'm sure that I have the same kind of attitude about the importance of ecological reserves, the importance of protected areas that I did when I made the comments some months ago.

We have a very exciting program now that we are developing as government – my department, Environmental Protection, along with my colleague the Minister of Economic Development and Tourism – called Special Places 2000. We tabled a draft document back in the fall that talked about how we could protect for all time representative land types in the province of Alberta, whether they be grasslands, whether they be boreal forests, whether they be montane landscapes, et cetera. It was very well received, and we are now embarking on a public input process to give all Albertans an opportunity to give us their views on that initiative by letter or by attendance at open houses.

3:20

MR. SPEAKER: Supplementary, followed by Edmonton-Strathcona.

MR. HYLAND: Thank you, Mr. Speaker. The Member for Calgary-North West put a short shot at me suggesting that I should read my questions better. Unlike him I don't have my questions written out, so I don't have them to read verbatim.

Mr. Speaker, to the minister. Mr. Minister, I would hope that this next step, open houses, et cetera, doesn't delay the putting in place of this program or some of these special areas as ecological areas. My constituency had a lot of involvement of local people as a advisory committee. It's working well. I would hope those kinds of things would be carried forward, and we would stop delaying this process.

MR. EVANS: Thanks very much. Mr. Speaker, I want to make it perfectly clear that we don't have a moratorium on designation of any of our special areas during this review process. So that being said, hon. member, it may well be that we'll be making some announcements on your ecological reserve in the near future.

We do, however, want to ensure that we have a public input process. I want to assure all members of the Assembly that it is going to be a very short time frame. We're expecting to have our public meetings during the month of May and perhaps into the very early part of June. The Minister of Economic Development and Tourism and I are going to be asking for a report from the committee reporting back from those public meetings and from the written recommendations that we will receiving by the end of June.

MR. SPEAKER: Edmonton-Strathcona, followed by Calgary-McKnight.

Student Housing

MR. CHIVERS: Thank you, Mr. Speaker. Earlier this afternoon we heard from the minister of advanced education with respect to

hiring students. I'd like to speak to him about housing students. Postsecondary institutions across this province have been forced to take drastic steps to cut costs and increase revenues. To date these steps have included cuts to teaching staff, cuts to programs, cuts to support staff, and increases in class sizes and tuition fees. Now the University of Alberta is considering privatizing Michener Park, a housing complex which accommodates married students, many of whom are from rural Alberta and beyond Alberta. Is the minister not concerned that measures such as this will cause a decrease in the quality of education and accessibility to postsecondary education for married students in Alberta?

MR. ADY: Mr. Speaker, the university receives global funding from this department, from this government. The board has jurisdiction over the allocation of that, and they set priorities on how it will be allocated. Obviously, they have set a priority with the budget that they've been allocated. There was no reduction in funding that has been given to them in the grant process. They're being allocated exactly the same number of dollars that they were allocated last year, and hopefully they'll be able to address the needs that they have in light of the programs that they intend to offer.

MR. CHIVERS: Well, that's very well, Mr. Speaker, but many Michener Park residences require significant roof repairs. This situation is the result of increasing pressure on institutions to reduce costs. In the department's budget debate last year the minister acknowledged that deferred maintenance in the order of \$600 million was needed to maintain the province's institutions. The question is: what measures is the minister prepared to take to ensure that the taxpayers' investment in these facilities is safeguarded in the future, given the plans for privatization?

MR. ADY: Mr. Speaker, the hon. member is dealing with a component that will be dealt with in the budget, and consequently I am not at liberty to express those numbers because the capital budgets have not been announced yet. They'll be part of the budget process.

MR. SPEAKER: Calgary-McKnight.

Video Pornography

MRS. GAGNON: Thank you, Mr. Speaker. Despite our demands for action over the last four years, there has been no move by this government to restrict the access of minors to sexually explicit and violent adult videos. Some of these are slasher films which promote hatred of women. Children can rent movies that they can't see in theatres. My question is to the minister responsible for culture. Why has the minister done nothing to protect our children from this trash?

MRS. MIROSH: Well, Mr. Speaker, Alberta doesn't currently regulate adult videos; it's true. But we are working on a national film and video classification system with other provinces, and we anticipate that this national system will address that adult video problem.

MR. SPEAKER: Supplementary.

MRS. GAGNON: Thank you, Mr. Speaker. I'm quite pleased with that response, since that's exactly the type of thing we were asking for.

I would ask the minister if their work also includes an expansion of the authority of the Alberta film classification board to include videos.

MRS. MIROSH: Yes. Mr. Speaker, this has been a concern that has been addressed by a number of people throughout Alberta. I do believe the municipalities can deal with adult video stores through business licensing, and perhaps the minister responsible for Municipal Affairs can expand, but we are working on this with other provinces.

MR. SPEAKER: Calgary-Fish Creek.

MR. WICKMAN: Ask about Fred Bradley's pension.

MR. SPEAKER: Order. Ask about things other than that.

Energy Industry

MR. PAYNE: Mr. Speaker, earlier in this current sitting the Minister of Energy expressed some optimism regarding the level of oil and gas drilling in the province. [interjections]

MR. SPEAKER: Order.

MR. PAYNE: Someone has rattled their cages, Mr. Speaker.

MR. DECORE: Just tell us about your pension.

MR. SPEAKER: Order.

MR. PAYNE: Mr. Speaker, despite these interruptions from the Liberal leader, I wonder if the minister is yet in a position to provide the members with some updated drilling and job-related data to support her earlier optimism.

MRS. BLACK: Well, Mr. Speaker, as much as we know that the Liberals don't care about the oil industry because of their claim from Westlock-Sturgeon to bring back the national energy policy, this minister cares very deeply about the energy industry. In fact, a week ago I reported an update on what I thought a forecast would be. I'm pleased to report that the forecast is better than expected. [interjections]

MR. SPEAKER: Thank you, hon. minister. [interjections] Order. The Chair is certainly interested in what the answer is. Perhaps you'll continue, please.

MRS. BLACK: Thank you, Mr. Speaker. The answer is jobs and plenty of them. In the last three to four months, instead of looking at people unemployed in this industry, we have seen an increase of 8,000 people return to the industry. I think that's good news for all Albertans, because if this industry is healthy, the whole province is healthy.

MR. PAYNE: Mr. Speaker, a number of my constituents and acquaintances in the oil patch indicate that our royalty holiday has been a significant factor in these increased levels of drilling activity. Needless to say, they expect or at least hope that they might see an extension of the royalty holiday. I'm wondering if the minister today can respond to those hopes and expectations.

MRS. BLACK: Mr. Speaker, the royalty development holiday that expired on March 31 was in fact extended till the end of June. At

the same time that extension was made, I made a commitment to work with the industry, and in fact there is a need to work with industry further, I'm prepared to do that. I will be monitoring the drilling levels very, very closely in co-operation with the industry.

3:30

MR. SPEAKER: During question period a point of order, Clover Bar.

Point of Order Recognizing a Member

MR. GESELL: Mr. Speaker, the point of order concerns the recognition of members in this House for question period and debate. I seek your interpretation and direction. I would cite *Beauchesne* 462, page 137, and also *Erskine May*, page 2.

Mr. Speaker, yesterday, although being late in this House, I sent you a note asking to be put on the list, to be recognized for questions. I grant that since I was late, I did not receive the opportunity to ask a question yesterday. However, it was my interpretation or understanding that with the precedents and traditions of this House, those questions left over from the previous day would carry forward to the next day. It was my understanding, then, that I might be recognized today for a question in the House. Not only that, Mr. Speaker, I raised my hand when I was in the House at the appropriate time today to raise a question. I'm sure that I had caught your eye; at least, I believe I did.

My point really is under *Beauchesne* 462. Let me read that particular section; I want to read the first sentence in *Beauchesne* 462 because it is important.

While the Speaker is the final authority on the order of speaking in the House, and on occasion has used independent judgment, the Whips of the various parties assist the Chair by making available lists of Members who wish to participate.

This next sentence, Mr. Speaker, is the important one.

The Speaker has traditionally been careful to ensure that an independent or dissident Member is not overlooked.

Mr. Speaker, I also want to refer you to *Erskine May*, right at the top of page 2. I'll just start in the middle of that particular citation.

This has enabled the Speaker to be given power to select which amendments will be debated; to decide whether or not he will allow the Closure of Debate, or a dilatory motion, to be moved; and, from day to day, to decide which Members should be called in debate so as to provide a representative expression of the House's opinions.

Now, Mr. Speaker, these citations may refer to debate, but they also, I believe, refer to questions that may be put in the House during Oral Question Period. In accordance with the fairness and representative expression of the House, I would like to ask where and when I might be recognized or given consideration for raising questions in this House and recognized for debate in this House.

MR. SPEAKER: Well, first, hon. member, the other day when you came to my office and delivered notice that you were desirous of changing your geographic location in this House, you and I did meet. At that time, for the record, let it be noted that you did not raise this issue at all.

You are under a misapprehension, a misunderstanding that questions left over from one day carry on to the next. That is not the case and has not been the case in this House since I was elected Speaker the first time.

Yesterday, yes, you did send a note to the Chair. As pointed out by yourself in your note and again in your comments today, you were late. Again, the practice of this House over the past seven years has been that if you arrive in this House late, you

drop down further in the order, because it is incumbent upon all hon. members to be in the House when prayers are said.

Now, as for your interesting ability to be able to project yourself into my skull earlier today, that you know that I recognized your hand in the air, I'm really interested in that perception that you put forward. I'm sorry to inform you that you're absolutely wrong; I did not see your hand in the air. I'm not disputing the fact that you may have been waving, but given the fact of the kind of forest of hands that I see around here, the Chair did not see your hand in the air today.

Now, I'm interested in your quote from *Erskine May*, page 2, and certainly I'd take that into account. It is quite obvious that the Chair in due course will recognize you in question period, but the Chair also is cognizant of the fact, as are all hon. members, that you did not run as an independent. You now sit as an independent. That does not give you the status of a political party and a caucus in this House.

Nevertheless, as a private member you will indeed, in due course, be recognized in question period, but the Chair would not have you labour under the misapprehension that you are necessarily going to get in every single day, because of the sheer numbers of individuals who are in the two benches of the New Democrat caucus or the Liberal caucus or the back benches of the government. You will, then, I know, take full study of the fact that you are but one member of a certain number of private members who are in this House. Again I assure you that in due course, when I happen to indeed see with my eyes, not with your eyes, that you're waving your hand, you will be recognized in question period.

head: **Orders of the Day**

head: **Government Bills and Orders**
head: **Second Reading**

Bill 66
Members of the Legislative Assembly
Pension Plan Amendment Act, 1993 (No. 2)

MR. SPEAKER: Deputy Premier.

MR. KOWALSKI: Thank you very much, Mr. Speaker. I rise today in my place in this Assembly to move second reading of Bill 66, Members of the Legislative Assembly Pension Plan Amendment Act, 1993 (No. 2).

Mr. Speaker, a few days ago, on April 26, 1993, I rose in this Assembly and moved second reading of Bill 62, Members of the Legislative Assembly Pension Plan Amendment Act, 1993. I would refer all members to comments that I made in *Alberta Hansard*; those comments are contained on pages 2401 through to 2403. It's not my intent this afternoon to echo the comments that were made by way of principles associated with Bill 62 some days ago other than to say that this has been a most interesting public debate, a most interesting debate within this Assembly and a most interesting debate without this Assembly, in all quarters of the province of Alberta.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, when the government introduced Bill 62 a few days ago, the government was responding to what was perceived to be acute concerns in the province of Alberta from the citizens who basically asked one grouping of the Alberta Legislative Assembly, the Members' Services Committee, to go out and attain and retain an independent firm called Peat Marwick Stevenson & Kellogg and ask that particular independent firm to do a compar-

ative and to basically put in a perspective, not only within the confines of the province of Alberta, of what the compensation package is for Members of the Legislative Assembly with the private sector in the province of Alberta and the public sector in Alberta but also to do a comparative across the nation of Canada and to include a comparative with those individuals who serve in the Canadian House of Commons. Such was done, and such a public report was made available to all on March 24, 1993. Then a month and a few days later legislation was introduced in this House, and as I repeat, that legislation came by way of Bill 62, and it was introduced for second reading on April 26, 1993.

Well, we're now a few days past April 26, 1993, Mr. Speaker, and a series of events have occurred in the province of Alberta, including a debate not only within this Assembly but a debate without this Assembly. All hon. members of this Assembly have been a part of that debate, some in far corners of the province of Alberta, and some of that debate was right here within the Legislative Assembly per se.

The government caucus has reviewed this matter on almost a daily basis, as have a number of hon. members reviewed this matter on almost a daily basis during the question period. A few days ago, on Friday, April 30, 1993, our Premier, Premier Ralph Klein, announced that a new Act would be introduced in the Alberta Legislative Assembly. As promised, Mr. Speaker, the new Act, Bill 66, scraps the MLA pension plan as of the day of the next provincial election.

Now, Mr. Speaker, Premier Ralph Klein repeated his commitment to pass the legislation before calling an election. I want to re-emphasize that today: it is the government's intent to pass this legislation before calling an election. This will truly be the end of the MLA pension plan in the province of Alberta. It is not the government's intent to replace the plan in any way, shape, or form. When this legislation is approved and it does come into effect, it will not be the intent of the government to reintroduce any alternative to it in any shape or any form or any mechanism or any parameter. This matter will come to an end.

3:40

Now, Mr. Speaker, the Bill itself, Bill 66, has a number of implications in a number of ways. Essentially there are five or six principles that I would identify here this afternoon for all members of the Legislative Assembly. MLAs elected in 1989 will have the contributions that they made to the plan returned to them. MLAs have to have been elected for at least two terms and served for five years in order to be able to leave their pension contributions in the plan. The government contribution has been forfeited by these MLAs, and those dollars will not be reallocated back to individuals.

Secondly, Mr. Speaker, MLAs retiring at the date of the next election will have their pension benefits reduced retroactively to 1989. Pensions for service after 1989 will be calculated at a rate of 3 percent of salary multiplied by years of service. The former rate of 4 percent has been in effect since the plan was introduced in 1969 and will be calculated as service earned before 1989. The maximum that can be used for purposes of calculating pensions is 20 years of service.

Thirdly, Mr. Speaker, MLAs elected before 1989 and running in the next election will also have their benefits reduced from 4 percent to 3 percent retroactive to 1989. They will not be able to earn further pension credits. They will only be eligible to receive pension benefits when they retire. This will eliminate double-dipping as we know the concept and principle of double-dipping.

Now, Mr. Speaker, in addition, pensions of former MLAs will be suspended if they work for more than a limited period of time

for any employer covered by the public service or public service management pension plan. In addition, MLAs who take an early pension will have their benefits reduced by 3 percent for every year they fall short of being eligible for a full pension. Anyone who had applied for and received pension benefits between now and 1989 will have to return moneys to the province of Alberta, and they'll be required to pay back the difference between what their payment would have been calculated at the new 3 percent rate instead of the previous 4 percent rate. That will apply to all MLAs that retired after March 20, 1989, and were elected at that time, save for two exceptions. I've conveyed letters today, if it's permissible, to the estate of the late Sheldon Chumir, and I've also conveyed a letter today to the widow of the late Gordon Wright informing both of them that their estates will not be impacted and will not be affected by the retroactivity provision that I just talked about.

Mr. Speaker, this has become a matter of great concern in the province of Alberta. It matters not, I guess, on which side of the House we sit. The government has moved with this legislation. It's all-encompassing legislation. The government position with respect to this will be evaluated in the next number of months, in the next number of years. I'm sure that as the debate goes on, as we bring forward all the views of hon. members in this House, there will be a lot of food for thought with respect to where we're at, how we've come to this particular point in time, and where we're going into the future.

The reality is that we do have Bill 66. Again, it is the intention of the government to approve this legislation before calling an election in the province of Alberta. It will be the intention, Mr. Speaker, of the government to use the principle of closure if necessary to get this matter dealt with. A number of days will be provided and allocated in our legislative agenda in dealing with this matter in second reading. A number of days will be allocated for committee study of this particular Bill. It is the Government House Leader's intent to have this matter dealt with and to have this matter dealt with as quickly as possible. So it should not come as a surprise to any hon. member to hear that the Government House Leader is saying that we will use the principle of closure if necessary and if required. I'll accept the arguments that will be put forward by hon. members basically saying, well, the ad hockery of the whole nature. It always comes in every time you bring forward closure legislation.

Mr. Speaker, there is much public debate with respect to this matter. Perhaps I might just quote from the source of my information and table the document, if necessary. On Wednesday, May 5, 1993, the following words have been written and have been published in the province of Alberta. Perhaps I can just quote from them.

Ralph Klein's political foes continue hurling abuse at the premier over his MLA pension reform package.

That said, Klein's solution - to kill the pension plan - and kill it retroactively for any MLA elected from 1989 on - means that never again will the taxpayer be taken for this kind of a ride again. After this, we're off the hook.

Shout as they might, Klein's critics must know that such was the outrage from MLAs that had he tried to cut the pension [plan] even further, the province would have been up to its neck in litigation for years.

But now with Ralph Klein we seem to have a new brand of politician in our country.

For when Klein killed the pension plan he became the only provincial premier in the nation to voluntarily give up one of the most lucrative perks in politics.

For this he surely deserves praise, not condemnation.

I end the quotation, Mr. Speaker.

I move that we move forward with the debate, and I move as well second reading of Bill 66, Members of the Legislative Assembly Pension Plan Amendment Act, 1993 (No. 2).

MR. DEPUTY SPEAKER: Would the hon. minister like to table the document he was quoting from?

MR. KOWALSKI: Absolutely, Mr. Speaker. I will table it and have the copies available.

AN HON. MEMBER: Where did it come from?

MR. KOWALSKI: Well, it comes really from one of the great protectors of the public, a public guardian that oftentimes is even critical of the government, the *Calgary Sun* dated Wednesday, May 5, 1993, page 10.

MR. MARTIN: Mr. Speaker, this is Bill 62, version 1. Now we're a week later debating Bill 66, version 2. Maybe next week we'll debate Bill 68, version 3. This could go on forever depending on how the political winds are rolling.

I might just, first of all, allude to the minister talking about closure. I would remind the minister: they've been anxious to use closure in this Legislature in the past, and we've made a lot of mistakes when they've done it. I would point out about AGT. We're paying for NovAtel right now, where we've lost money, jobs, and have higher rates. I'd point out when we did it just recently, in early January. They were in such haste to pass the electoral boundaries Bill. You remember, with closure, what happened there? You disenfranchised 1,400 people in Muir Lake and looked silly having to come back and do it again. So I'd caution the minister about being so quick to use closure.

It has been interesting to watch this debate unfold. When it was raised in the Legislature to begin with, Mr. Speaker, we were told by the Premier at that time that, first of all, it would be illegal; there was nothing they could do about it. Well, then we had legal opinions that indicated to the contrary. So then we backed off that approach, and the next was: well, it would be unfair, unfair to these retiring people. Well, they kept that up for a couple of days. Because there was such outrage from the public, I guess then it wasn't unfair anymore. Then there were a number of emergency caucus meetings to try to figure out how to protect their political hides, and finally we had the announcement on Friday. The minister alluded today that it would be in litigation. That's just not the case. They know that that would not be the case from the legal documents that have been filed.

What it came down to is not new politics, Mr. Speaker. What it came down to is an old, tired government trying to protect their political hides, twisting in the wind, all over the map on this particular issue, not knowing what to do, and pressure from the retiring MLAs as compared to the pressure from the public.

3:50

Now, on Friday, with the announcement: a nice diversionary tactic. A nice diversionary tactic. What it came down to is an impression left that there would be massive cuts for these people that are retiring with very rich pensions, Mr. Speaker. An indication most people had to begin with Friday night was that there would be at least 25 percent cuts, at least 25 percent cuts for people that are retiring with huge pensions.

MR. PASZKOWSKI: Mine's a hundred.

MR. MARTIN: You don't even count. You shouldn't even be here.

Now, the reality is, Mr. Speaker, that they let that impression go through to the public over the weekend till people started to crunch the numbers and find out what it meant. For the people that were getting the biggest pensions, it meant 5 percent cuts, in one case 4 percent, but an average of the pre-1986 of 7 percent: a far cry from the 25 percent that they were talking about, the impression that they left on Friday. That is the reality.

You know, it's almost an overreaction. "Gee, we're in trouble over this. We're going to punish everybody in the future: no pensions." Well, people were not necessarily complaining about fair and reasonable pensions. What they were complaining about is these golden handshakes, pensions in the \$50,000 and \$60,000 and \$70,000 range and in one case over \$80,000 for people that were walking away at the same time that the public were being laid off and facing tough times, whether it be AGT or Woodward's or the rest of it. That's what people were reacting to.

I think that the Premier thought he could skirt around this issue, but I want to assure him that he can't. I was on an open-line show in Calgary just yesterday, and that issue has not gone away, I can assure you. They just missed the point. They still don't get it politically. It's not the pensions in the future, if they were reasonable; it's the pensions in the past that they're talking about. The gang that gave us NovAtel, the gang that gave us Myrias, the gang that gave us GSR: how are they treating themselves as they walk away from this Legislature? That's the symbolism of what we're dealing with, and that's still the political issue out there with Albertans. If the government doesn't believe that, they're just not listening.

Then they say: we listen. We should have some truth in advertising. I know that the PC Party has lots of money, because, after all, the corporate sector can buy a lot for them; it's probably just a little dent in the amount of money that they have. The reality is that they talk about the people that are walking away with the huge pensions and what the actual cuts were. Oh, no, Mr. Speaker; oh no. A diversionary tactic that just doesn't work, and it's not working with Albertans. I'm sure they're running polls every day now to find out, and I'll bet you they're finding out that it's not working. That's the reality. That's the reality. [interjections] Now, I know that the double-dippers over there are getting excited, Mr. Speaker. The double-dippers are getting excited, and so they should. So they should.

Now, the point that I want to make: let's just take a look at the actual figures here, Mr. Speaker. Let's take a look at the actual figures here. What does it mean for these pensions? Let's just go through some of them. The one for the Member for Peace River goes from \$83,000 to, roughly, \$79,000 with a few dollars in change - I won't bore you with it all - 5 percent; the Member for Taber-Warner, \$74,000 to \$71,000: 4 percent. The Member for Pincher Creek-Crowsnest goes from \$50,698 to \$48,000: 5 percent. The former Premier goes from \$66,000 to \$62,000: 7 percent. The Member for Medicine Hat goes from \$68,000 to \$64,000: 6 percent.

Point of Order Questioning a Member

DR. WEST: A point of order.

MR. DEPUTY SPEAKER: Is the hon. Minister of Municipal Affairs rising on a point of order?

DR. WEST: Yes. Would the hon. Leader of the Official Opposition entertain a question, under section 482?

MR. MARTIN: Not right now, Mr. Speaker. I've got more important things to do. I'll deal with them after. [interjections]

Mr. Speaker, my pension will now be \$36,000. I'm sure I'm anticipating it, if that's what the question was. I've said right from the time that I'm prepared to share in the pain if that's what we're asking these people to do over there that have huge pensions.

Debate Continued

MR. MARTIN: Now, Mr. Speaker, I go on. The Member for Lethbridge-West, from \$73,000 to \$69,000: 6 percent. Let's look at the double-dippers. They're some of the same people that brought us NovAtel. Since '89 the taxpayers, while MLAs have been sitting here, have paid \$190,572, roughly, for people that are still working, collecting pensions. No wonder the public is angry. To say that they didn't know that they're going to do it in the future - the Member for West Yellowhead has been bringing in private member's Bills. We were promised over a year ago in the Speech from the Throne that they would do this. One particular member alone has collected over \$60,000 on double-dipping during that period of time. Is there anything in the Bill about retroactivity dealing with that? No, there's not. How can anybody justify that?

Then we look again at some other figures that are quite interesting, about what these people that are retiring actually paid in and what they're taking out. In the case of the Member for Taber-Warner, the number that he has contributed and when he gets his pension back - and we're not even talking about the severance package - in less than two years he will have his money back. Now, do you want to justify that to the taxpayers of Alberta? You look through all of that: the amount of contributions that the members have made and how soon they'll have that paid back in most cases is two to three years. To these people that are walking away: how can you justify that? It's not about the future; it's about these people that are walking away. Do you know what that's going to cost the taxpayers of Alberta, just the 28 that are leaving? Thirty-three million dollars. We're going to come back with a budget. We're going to hear talk about sacrifice. We're going to talk about ordinary Albertans having to tighten their belts, and they're going to see these people cost the taxpayers \$33 million over the next period of time. I ask you: how do you justify that? How can you justify that?

Mr. Speaker, that is the reality of the figures that we're looking at. When the public knows this, they won't think that this is a magnificent Bill, and they're finding out. They won't think Bill 66 goes nearly far enough. They're prepared to be fair and reasonable. They do not see this as being fair and reasonable at all. I would say to the government that if they were really listening, they would have known what people were talking about. I would remind the Deputy Premier that it's not only the pensions; there's a severance package tacked onto that.

People have contributed very little to this pension in terms of dollars and cents. Other pensions around, that people look at, have equal contributions on both sides, so it's not an unfunded liability in the future. Probably the total unfunded liability over the years will be \$60 million, but this group, they're going to get over half of it as they walk away right now. I say to you that that's unfair. It's unreasonable, and the people in Alberta do not accept it, contrary to what the government is saying. I expect that in their polls they're finding that out, when people actually know what the real figures are, the minor trims for the long-term people. As I say again: it was diversionary, to try to look at the future. That's all it was simply, and it's not working.

Now, Mr. Speaker, even at this late date, the government says that they're listening. Well, when they talk about closure of debate even before we've even started talking about the Bill, one has to wonder, of course. If they're really listening, we're going

to give them another opportunity to listen. Being the helpful people that we are on this side of the House, we always try to help this government out. Last time they said nothing could be done, and now we're into Bill 66, version 2. Maybe if we keep the pressure up politically in the Legislature, we'll see version 3 in the future, because anything that impacts the Premier's political hide, I'm sure he will run and do it. He'll run and do it if there's enough public outcry.

4:00

As a result of that, Mr. Speaker, I'd like to bring in an amendment. I have copies being distributed. I'll read this out. It says that the motion that Bill 66 now be read a second time be amended by striking out all the words after "that" and adding:

Bill 66, Members of the Legislative Assembly Pension Plan Amendment Act, 1993 (No. 2), be not now read a second time because the Legislative Assembly finds the Bill fails to extend the principle of retroactivity on the matter of pensions collected by sitting members of the 22nd Legislature and undermines the principle of retroactivity on the matter of proposed cuts to the members' pension entitlements insofar as those cuts are minuscule compared to the enormity of the pensions to which several members will be entitled.

Mr. Speaker, I want to conclude and say to the members of this Legislature: beyond what happens in the future, the people walking away in this election have become very symbolic to the people of Alberta about what's wrong with politics in this province. Very symbolic. As I said, they see NovAtel; they see the mismanagement. They know that they're going to be called on to sacrifice. They're losing jobs. They're not getting golden handshakes. Yet this group is walking away with a severance package and huge pensions in the \$50,000, \$60,000, \$70,000 range. They see that. We have a chance here in the Legislature to bring that back to more reasonable levels.

As a result of that, we will certainly look at committee stage, but if we were to adopt this particular amendment, then we could begin to get down to what would be reasonable for everybody, including the taxpayers of Alberta. I would hope again that members would screw up their courage and do the right thing for the taxpayers of Alberta.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Speaker. I rise in support of the amendment just put to the Legislature. Sir, pension reform is not going to eliminate a \$20 billion debt, pension reform is not even going to solve a \$3 billion deficit in Alberta, and certainly pension reform is not somehow going to magically restore public confidence in the men and women who are elected by Albertans to serve them in this Chamber, but I can think of no better place to start than pension reform.

I would have thought, sir, that the October 1992 constitutional referendum would have delivered a powerful message to every man and woman sitting in this Chamber. I would have thought, sir, that it would have been clear to every MLA that Albertans in October of 1992 voted no for many reasons but largely because they didn't trust the people in this Chamber. They didn't trust the politicians that had been elected to serve and represent them. Not only members of this Chamber but leaders in religious areas, community leaders, business leaders: all, for the most part, recommended acceptance of the Charlottetown accord, and when it was voted down, I think it would be exceedingly foolish for us not to take the message and take the lesson that comes from that.

What we have in Alberta, in my submission, sir, is this growing gap between electors and elected. Until we take meaningful steps to address that, to bridge that gap, there is no way that any government, let alone this Chamber, is going to be able to resolve the kinds of problems that face the province.

Mr. Speaker, the original Bill 62 proved clearly that the members opposite didn't get the message that I thought would have been evident from the Charlottetown accord defeat. I had the benefit of the same lesson a few months earlier. In the three and a half months leading up to the July 1992 by-election, I had the opportunity to go to slightly over 10,000 doors of Albertans in Calgary-Buffalo. The single biggest issue that surfaced and came to the fore door after door after door was the lack of confidence in this government and to some extent all members of this Chamber.

I refused at the time I was elected to participate in, to contribute to the gold-plated MLA pension plan simply because, sir, I was not able to defend the plan to my constituents. In my respectful submission, the combination of a defined benefit plan, the one that was adopted by this Chamber in 1969, with the enhancements in 1970, 1976, and 1992 and a 30 percent pay hike meant that the plan became a problem for taxpayers, a problem for ordinary Albertans, and this has been a problem for a much longer time than evidently many members in this Legislature recognize. So I told my constituents that I wouldn't participate. I would do everything I could to change it, to scale it back to something that was defensible, something I could justify to my constituents.

It's of interest to me, Mr. Speaker, that most Calgarians I've spoken to have not said: eliminate the MLA pension; legislators ought not to have any kind of a pension. What I have been told door after door after door is: a fair pension is reasonable; simply make sure it's proportionate, make sure it's modest; it ought to be a Volkswagen model, not a Cadillac model.

Mr. Speaker, I'm pleased I had the opportunity to work with my caucus to develop an alternate pension plan. On March 8, 1993, our caucus outlined our proposal for a defined contributions, self-financed pension program. It was modeled on the plan that has been in existence in the province of Saskatchewan since 1979, the same model recommended by the Association of Alberta Taxpayers. It's a model, sir, where the MLA contributes 9 percent of salary. The government matches it. It earns some interest, and at age 55 or the date of full retirement, whatever the balance is in the account is available to purchase an annuity. When the funds run out, that's the end of the pension benefits. When the fund is exhausted, there is no further obligation on Alberta taxpayers, no ongoing obligation.

The Liberal model, sir, achieved three goals. The first one is that it eliminated double-dipping. Secondly, it eliminated the unfunded pension liability now in excess of \$40 million. At least as importantly, it eliminated the opportunity for men and women in their 30s and 40s to walk away after a period of service in this Legislature with a pension at an age and at a time when they're still able to seek and find alternate employment. Now, that same model, sir, is reflected in my Bill: Bill 354, Members of the Legislative Assembly Pension Reform Act.

Now, just to touch on the retroactive application of a new pension plan, sir. On April 27 in *Hansard* at page 2420, I invited the Premier in question period to confirm that retroactivity was the real issue for Albertans when it came to the pension. He was not responsive but instead raised concerns and quoted something that had been said by the leader of my party in March of 1993 to the extent that there were potential legal problems with retroactivity. Well, I participated in the same news conference, and I can tell you that I recall indicating very clearly at the time that my belief

was that pension plan reform should be retroactive. There was a qualifier, and the qualifier was: we were aware of some litigation in the province of Saskatchewan where departing senior civil servants had brought action against the province of Saskatchewan for some retroactive changes. We said, I think quite properly, to the members of the media that we wanted to be able to investigate that and assure ourselves that that wasn't an obstacle to doing what we wanted to achieve and what we thought should have been done. Mr. Speaker, I think that was a responsible thing to do.

4:10

Subsequently, I had an opportunity to look at the pleadings filed in the Saskatchewan litigation. I had the opportunity to satisfy myself that no issues were raised in the Saskatchewan litigation that presented any impediment to the Liberal initiative and now private member's Bill. We received legal advice from eminent Alberta solicitors, and we satisfied ourselves at an early point that there's no legal impediment – absolutely no legal impediment – to being able to make meaningful retroactive pension reform. We then proceeded as a party with the development of what is now Bill 354.

I'm proud to say, Mr. Speaker, that of the three parties in the Chamber I think it's fair to say that only the Liberal Party has staked out a position and maintained that position consistently through the last number of months while this has continued to be a large and important public issue.

Sir, I'd like to contrast that with the position – the Deputy Premier a moment ago invited members to look at the developments that took us to the point where the government brought forward their latest pension initiative. What you will recall, Mr. Speaker, is that initially the government said: oh, a retroactive change is just plain illegal; we can't do it. The government asserted repeatedly, time after time, that retroactive changes were not permitted, and they cited some administrative law principles. The Deputy Premier has invited us to review those developments, so let me deal firstly with the question of legality. I'd say this. If the Premier or any member had received legal advice that reform of the MLA pension plan cannot be made retroactive, then clearly the Premier immediately requires new legal advisers not to do that. As any first-year law student knows, this Legislature is sovereign. So long as we don't violate any provision in the Constitution Act, we're entitled to pass legislation within the competence of the province, and that's what we propose to do.

The other point, clearly, is that if the legislation is ambiguous, poorly worded, unclear, then it's susceptible to a court challenge, but if the wording and text is clear and specific and unambiguous, there is not a difficulty. The only other possible constraint would be a violation of the Charter of Rights and Freedoms. Since the Charter doesn't deal with property rights, that is a nonissue.

Now, members opposite have erroneously suggested, sir, that there's some problem with the loss of a vested right, some issue with natural justice, but I think the legal position is as I stated a moment ago. That just is nonsense; it simply isn't an issue of any significance.

The government then said: well, whether or not it's illegal, it's clearly immoral. This is perhaps the most interesting argument raised by members opposite. I can think of few grounds that would be more difficult to justify than a suggestion that morality is what the government is going to mount their defence against retroactivity on. Clearly, sir, if there's a contest between some perceived moral duty to outgoing MLAs and the duty to Alberta taxpayers, it's clearly the latter which is the more important and the more serious obligation. It's just, I think, misleading to talk about there being some kind of contract. The reality is that MLAs

are not here by virtue of some contract of employment between themselves and their constituents. We're here by virtue of statute; we're here by virtue of an election.

Now, the Association of Alberta Taxpayers has recommended pension reform in exactly the same terms as set out in my private member's Bill. The Peat Marwick report is often referred to by members opposite, and let me just briefly deal with that, sir. It is of particular significance, I think, that Peat Marwick didn't look at the Saskatchewan plan. They looked at the parliamentary pension system, but I would think all Albertans and most Canadians recognize that the way Parliament deals both in terms of compensation and pension would be the last model that we want to follow in this country if we're looking for something that's both frugal and reasonable.

Mr. Speaker, the reason I speak in support of the amendment put by the Member for Edmonton-Norwood, the Leader of the Official Opposition, is that the government's initiative clearly misses the boat in two fundamental respects. The first one is that it does not significantly address the fact, sir, that pensions are excessive, that a large number of long-serving members are going to be affected only marginally under the government initiative. It then goes and misses the boat when it proposes to eliminate pensions in the future.

Mr. Speaker, I think it's clear that a fat pension is not necessary to encourage good people to run, but I also think a modest pension simply mitigates against the loss some Albertans may experience in holding the MLA position. In fact, and I say this parenthetically, I think that if we're really interested in having the best people in Alberta serve in this Legislature, we would be probably far better directed to look at a meaningful overhaul of the process of this Chamber. Give MLAs more voting freedom, give back-bench MLAs a more significant role in the process of government: that is a far better inducement to get good people to run than simply trying to fatten up the pension plan.

At a time when this province faces huge challenges, a huge debt, a huge deficit, Mr. Speaker, I think Albertans have the maturity and good sense to want their government to have carefully considered consistent responses, carefully crafted plans for reform, and then the courage to adhere to those plans. If we don't see the consistency and thoughtfulness and maturity in the government's response – and I submit that clearly it doesn't exist – then why would Albertans expect that this government will do any better when it comes to the \$20 billion worth of red ink in this province?

Mr. Speaker, I'm pleased to speak in support of the amendment. My comment is that I think the government has to go back to their advisers and draftspeople, because this legislation clearly misses the mark. It doesn't address what Albertans want to see dealt with: on the one hand, excessive pensions; on the other hand, a fair, modest pension for serving members of the Legislature. It misses on both counts.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. The reasoned amendment deals with the real concern of Albertans and the concern that's not addressed by Bill 66. Therefore, the need for the reasoned amendment is that it does not adequately address the concerns of Albertans. There are a lot of concerns with respect to remuneration of politicians, but first and foremost is the outrage that Albertans feel at what they view as being excessive pensions.

Might I say at this point that I fully understand a feeling – perhaps if I can project this feeling, because I believe it to be true – on the other side of the Assembly that for many, many years politicians in Alberta were inadequately remunerated for the work they did. For many, many years the level of compensation that was paid to Alberta politicians was totally inadequate, given the nature of the job. I understand, and I sympathize with those views. In collective bargaining I've been in precisely that situation with employees who could equally and with just as much justice say that for years, indeed for decades, they had been inadequately remunerated. As a result of that, they argued that they needed to play catch-up in collective bargaining. Those arguments were never successful, Mr. Speaker. The problem is that future compensation cannot redress wrongs that may have occurred in the past.

The reason for the outrage is that people see what is happening here. They do not look at the past. They don't look at the balance sheet. They don't see the contributions that may have been made by members opposite and the rates of remuneration that they may have provided those services at, but they do see what it's going to cost them in the future. They compare it with their own circumstances, and they find these pensions much too excessive. Now, that unfortunately may not be just, but it's reality, and at this time of all times in this province, when the people of Alberta are experiencing tough times, it angers them to see their politicians who definitely will not experience tough times, not in the terms that they know them, in the future as the result of the pensions that have taken place.

4:20

Now, it seems to me that we need a bit of history here, because one of the things in terms of the fairness argument has to be: what were the terms that members sought election on; what were the levels of remuneration at the time of the last election? That is a very important consideration. In speaking with Albertans on the doorsteps in the Edmonton-Strathcona constituency, I know that that is one of their concerns. They can understand that at the time you ran for and obtained the office of MLA there were certain terms and conditions in existence with respect to your remuneration and pensions. They can understand the fairness principle. They can understand that you had a right, that members who ran at that time had a legitimate expectation that when they retired they would be remunerated in accordance with the levels that were in place at that time. They are prepared to accept that. What they cannot accept is that immediately after that election this Legislature through its own motion, through its own deliberations saw fit to increase the levels of remuneration, which had a consequential impact on pensions. That impact on pensions was even greater as a result of a number of factors than the increase directly on the remuneration level. The increase in pensions represents about a 40 percent increase.

That is the point that Albertans are upset about. That is the cause of the uproar. They are not suggesting that the politicians who ran in the last and previous elections should not be compensated in accordance with the formula. What they're concerned about is the level of remuneration that is brought about as a result of the increases to the basic indemnity and the expense allowance.

Mr. Speaker, the Peat Marwick process was an attempt to investigate and to provide this Assembly with some direction as to how to deal with a problem that has been recognized for some time by members on all sides of this Assembly. The difficulty, of course, is that members on this side of the Assembly – and contrary to the Member for Calgary-Buffalo's claims for authorship with respect to initiatives that have been made in this

direction and Bills and proposals and motions that have been put to this House, initiatives have been provided to this Assembly from time to time dating back to the days of the former leader of the New Democrats, Grant Notley, with respect to how to handle these sorts of issues. The problem is that members on the other side of this Assembly have not seen the need to go through a truly independent process, a process where the process of appointment will be a matter that is not controlled by this Assembly. The appointments will occur automatically under the terms of legislation, which is what has been proposed in our Bill dealing with the independent remuneration panel. The unfortunate reality is that that process, the process that's outlined very fully and completely in the independent remuneration panel Act that we have introduced in the Legislature, which was advocated for many, many years, was not implemented many years ago.

Now, I've heard it argued many times in the debate on Bill 62 and I expect I'll hear it in the argument on Bill 66 that in any event the final determination lies with this Legislature. Well, Mr. Speaker, the process that we have advocated for some time is in place in the province of Nova Scotia. The expert committee there that is established to deal with this makes a report. That report is binding on the Legislature – no ifs, ands, or maybes – and that process is available here despite protestations to the contrary. We could even add to that process to say that if this Assembly wanted to retain any jurisdiction, it retain jurisdiction only to reduce.

However, I digress. The issues here that were addressed by the Peat Marwick study, Mr. Speaker – and it was commented on extensively by the member sponsoring Bill 66 – are summarized as being 10, and I'd like to go through them.

One of the issues in respect of which they did their investigations, provided conclusions, and made recommendations was the need to “recognize the full-time nature of the MLA job and abolish committee attendance allowance and tax-free allowance.” That's not addressed in this Bill. The need to “calculate an appropriate salary compared to the public sector line,” the need to “modify the pension plan to bring the total compensation line of MLAs approximately to the public sector line” – in respect of the government's current initiative, let me go on. The need to “recognize that expenses are incurred by MLAs in carrying out their duties.” The need to “recognize the true nature of reestablishment.” The need to “modify perquisites to reflect Canadian/Alberta practices.” The need to “modify expense values and treatment to reflect Canadian/Alberta practices.” The need to “recognize the need for perception of independence in setting MLA compensation.” The need to “institute an annual adjustment process.” The need to “communicate effectively and consistently.” Not a single one of those recommendations has been followed forward, Mr. Speaker, in Bill 62 or in Bill 66, as I will proceed to demonstrate.

[Mr. Main in the Chair]

Certainly it is beyond dispute that there has been no attempt to deal with tax-free allowance. There's been no attempt to deal with the issue with respect to recognizing the true nature of reestablishment, the need to deal with the expenses, the perquisites, the expense values, the need for perception of independence.

That's an interesting formulation in the Peat Marwick report: “the need for perception of independence.” What is needed is not a “perception of independence.” What is needed is real independence. Unfortunately, this government and members on the opposite side of this Assembly still do not understand the difference between “perception of independence” and actual independence, but the people of Alberta do understand, and that is why

they object to the spectacle that they see at the present time with respect to the way in which this government is presently treating the issue. I dare speculate, in view of the Premier's recent comments regarding his acknowledgment that perhaps some sort of an independent inquiry might be useful, that perhaps we have not heard the last from that side of the Assembly with respect to this matter. It's just unfortunate that that process was not engaged in a thoughtful and comprehensive manner when it should have been, and perhaps the difficulties that are being experienced at the present time and the embarrassment to members retiring, which I regret greatly, would not have occurred had the issue been properly dealt with in a timely fashion.

Now, Mr. Speaker, the problem that we must address in a thoughtful way is the reality facing Albertans. The reality facing Albertans is that these are tough economic times, and measured by the standard of living of average Albertans, the pensions that will be paid under this pension plan are indeed excessive. Those are the only standards that the public will apply, and indeed those are the standards that the public is entitled to apply in terms of evaluating these pensions and these pension payouts. It has nothing to do with the dedication, the effort, or the length of service. It has to do with the fact that these are tough economic times, that these are times when Albertans are suffering, and that these are times when in the very near future – if I can speculate a bit further, I expect in the budget speech we're going to hear tomorrow night that this very same government is going to be calling for further sacrifices by Albertans. That indeed is the context in which Albertans live and evaluate what they see happening here with respect to MLA pensions.

4:30

Now, Mr. Speaker, it seems to me there is a fair and thoughtful way of dealing with this process. That was a resolution or a notice of amendments that was filed in this Assembly by the New Democratic Party on Bill 62. If those amendments had been implemented, the effect of the amendments, had they seen the light of day – they haven't because Bill 62 was withdrawn – is that they would have then calculated the pension first on the basis of the pre-1989 increases. That is a solution that Albertans, in my opinion, would be willing to accept and would believe to be fair.

Mr. Speaker, I want to remind members on the other side of the Assembly that they are in much the same situation as the nine executive officers of Woodward's who recently retired after less than two years' service with pensions and benefits exceeding \$2.5 million. Albertans were outraged with respect to that spectacle and the fact that many Woodward's employees not only lost their jobs but walked away with approximately a third of the wage entitlement because the Woodward's company went into receivership and they were only getting a few pennies on the dollar in terms of what they were owed, let alone the kind of compensation for long-term and faithful service that they had rendered to that corporate entity.

Mr. Speaker, this Bill still does not, as I mentioned earlier, address the re-establishment allowances. Once again, the Bill that was filed that I sponsored in the Legislature earlier in this session does address that. It does address it in a manner that I submit is fair to MLAs and acceptable to Albertans. It's fair and acceptable for two reasons. It's fair and acceptable because it's based on the same sort of reality that they understand, that they deal with in their everyday life: when they become unemployed, then they have to obtain unemployment insurance. Simply stated, the proposal in that Bill is to provide the equivalent benefits that would be available if indeed as Members of the Legislative Assembly we were able to participate in an unemployment

insurance plan. That is a fair way. It means we would be excluded on the same basis as other Albertans who are under the Unemployment Insurance Act. We would be eligible for benefits on the same basis.

Now, part of that concept, Mr. Speaker, is also that we need to address another inequity which is under the situation we have now and the spectacle that is about to unfold, or I fear may unfold with the government's stated intention to ram this Bill through using closure. Then we face the spectacle that once again we have another form of double-dipping. We have the spectacle that not only will members be starting to draw their pensions, but while drawing their pensions they will receive re-establishment allowances which will range between the equivalent of six months' remuneration and a maximum of 12 months' remuneration. Now, that is unfair, and Albertans understand that's unfair. They want that addressed, and there is an easy way to make sure it is addressed. While I'm speaking of double-dipping, it brings to mind the fact that this Bill – yes, it will address double-dipping for the future, but it's still not addressing double-dipping for the past, and that is not satisfactory.

Mr. Speaker, saying it's so doesn't make it so. This government may have convinced itself that these measures adequately respond to the concerns of Albertans. I point out again that to a certain extent, and to a large extent, the concerns of Albertans are investigated in the Peat Warwick study but they're not addressed in Bill 66, and they could have been addressed in Bill 66. So I'm not certain where the government is getting its information that it is listening to Albertans. If it's listening, it's certainly not responding.

It's been suggested by members on the other side of the House that one of the difficulties of dealing with the problem in the way we have proposed is the spectacle of ongoing litigation for years. Well, Mr. Speaker, I suggest that legally speaking that's nonsense. I've spoken previously in the Assembly at some length on the legal principles, and it's quite clear that we were fed a bill of goods in terms of the opinion that was expressed that these changes could not be done retrospectively. I want to comment very briefly on the statement on that point in Peat Marwick speaking of modifying the pension plan. I quote from page 39:

We would expect that these plan provisions would apply prospectively as per the precedents of administrative law and would not alter pension credits accrued to date.

Well, the first thing I note about that statement is that it speaks of applying "prospectively as per the precedents of administrative law." This report was published on March 31. It's curious to note that in the Assembly during question period the Premier pulled out of his pocket a Parliamentary Counsel opinion that mirrors the wording here that is dated March 17, 1993. So I assume, and I can only assume, that the Peat Marwick reliance on this principle that they speak of was based on that memo or that advice or at least similar advice.

That is unfortunate because it's clearly erroneous advice, and it's been shown and demonstrated in this Assembly to be erroneous advice. The cases that are cited in that opinion do not stand for the propositions that they are urged for, and the conclusions that are arrived at in that memorandum are not in reality the principles of law that attach. The principles of law that attach were fully and thoroughly discussed in the memorandum produced by employees of this government, who work under much different pension plans and benefits incidentally, a legal opinion which in my opinion is solid and has a firm foundation and a firm grasp of the legal principles. Of course, they're dealing with a different pension plan, but the gist of the opinion and the reliance on legal principles is as applicable to this pension plan as to the local

authorities pension plan discussed by the government lawyers in the memorandum. They made it very clear that the principles of natural justice, the opportunity – by the way, they include the opportunity to be heard. These sorts of principles have no application to a legislative body, Mr. Speaker, nor can they. Now, those lawyers, had they been consulted, would have given this government the right advice, and perhaps we wouldn't have got off on the wrong foot.

The reality is that we did get off on the wrong foot, for whatever reasons. The initial defence was: we can't do it; there's a legal impediment. Well, there was no legal impediment; there never has been. Even if there had been a legal impediment, there's certainly a parliamentary way to deal with it. The parliamentary way is a measure that has been adopted by this government on previous occasions. It's not one that I advocate, but I point out that it is available. That is the method they used to extinguish the rights of the Lubicon retroactively and to make sure there would be no litigation. So the litigation monster that's being raised on the other side of the Assembly just does not exist, Mr. Speaker. The reason it doesn't exist is very simple: because of the principles of parliamentary law, parliamentary sovereignty, because of the ability of the Legislature to undo anything that it's done, and because of the fact that whether we like it or not, as Members of the Legislative Assembly we are not employees and our rights are not vested in the sense that employees who operate under a statutory plan with collateral employment contracts can contend legally that they have vested rights, because indeed they do. The law is clear with respect to their rights.

Now, I want to point out some of the double standards involved here, Mr. Speaker. Some of the double standards have to do with, for example, the cost of living increases. This plan has very generous provisions with respect to cost of living increases and will continue under the new Bill to carry those cost of living increases into the future. You'll be hearing more about that in the future. One of the difficulties is the double standard in treatment.

4:40

When it came to the public-sector pension plans and the need to deal with the funding crisis that existed there and the similar guarantee – because the public-sector employees have always been told that their pension plan was secured, even though the funding provided for it was inadequate and was known to be inadequate for many, many years. One step in recognizing that was taken in 1981 when the public-sector pension fund was established, but it was an inadequate step. Of course, the government dithered on that until last year, when they decided to address it. The way in which they addressed it did entail retroactive changes. What happened, of course, Mr. Speaker, is that the contribution level for current and future employees and the contribution level for current and future employers under those plans were increased to provide more revenue for the plan to help to pay off the then existing past liability and to make sure the future was fully funded. Now, that made sense when it came to applying those principles to public-sector employees.

It's unfortunate that the government did not see the sense of doing it with respect to MLA pensions. I suggest, Mr. Speaker, that in a sense when the contribution rates in the MLA pension plan were recently, last January I believe, increased to 10 percent, there was a step in that direction, and they would have been applying the same sort of principle. The difficulty, of course, is that people recognize the existence of these double standards, and they are concerned about them. They see them as not being fair.

Other double standards are, of course, the retirement age. The fact is that the MLA pension plan is accessible when age and

service equal 55 or at a slightly reduced actuarial rate even earlier than that, and that's irrespective of how long the actual service is, provided you meet the minimum eligibility requirement of five years. Now, Albertans know that these are not the principles that govern them with respect to their pension plans. They know that the principles that govern them with respect to their pension plans are joint contributions over the full term of their working lives. In order to be eligible for pensions, they must make equal contributions to a defined contribution plan for a period of 25 to 35 years, at the end of which they become eligible for a pension. That means that at the very, very earliest in those plans that provide for what is called early retirement privileges, they can access them after that length of time and that length of contribution and that kind of funding. That is not the case in this plan, and Albertans do not see the provisions of this plan as being fair. Indeed, that is what the conclusion of Peat Marwick was and the reason Peat Marwick suggested that the age and years of service formula had to be amended. That is not addressed in these amendments in Bill 66.

Now, as I said earlier, Mr. Speaker, when we're dealing with the past, my own view is that if it was explained, if one of the Peat Marwick recommendations, which is to communicate consistently and effectively with Albertans, was adopted, I think Albertans could be persuaded as to the fairness of saying: well, for those members who ran in 1989 and were re-elected, at that time their age of retirement formula was 55 – age and service equals 55 – and that is a fair way of dealing with it, but only because that was the formula that was in existence at the time.

By the same token, the trade-off for that is that the levels of remuneration should also be applied on the basis of those in existence at the time of the last election. I think Albertans would have little difficulty in seeing the fairness of treating the pension issue on that basis, but that is not what is proposed by Bill 66. Bill 66 is an extremely complex and convoluted Bill, and I will be dealing, when we have the ability to talk about it in more detail, with a number of the issues and some of the curious changes that have been made with respect to this Bill as it will apply in the future.

Now, unfortunately, as I've said, Mr. Speaker, we already know the government's agenda. The government is not going to be detracted from its agenda. The government has told us, the opposition, in no uncertain language that they intend to ram this Bill through. They're not open to dealing with it in the parliamentary tradition: to have it debated and to consider the sorts of amendments that need to be done to deal with the real concerns of Albertans and to make sure members opposite are treated fairly and their years of dedicated service are fairly remunerated in the future.

That is the issue for Albertans, Mr. Speaker. It's a question of fairness. It's a question of fairness to the members opposite, but it's also a question of fairness to Albertans in tough economic times. It's regrettable, indeed, that this government is going to railroad this legislation through the Assembly.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I will support this amendment because I, too, have very, very serious concerns about the Bill that's been proposed by this government. The classic irony is that the government would actually advertise that they listened. Well, Mr. Speaker, the question arises as to who they were listening to. It is a classic example of a straw man. The

government said, "We listened," and then took action that bears no relationship to what they must have been hearing from Albertans.

Albertans focused this issue on one fundamental problem, and that was the massive size of pensions that retiring MLAs will be taking with them into perpetuity. The fact is, for anybody who has been listening, that people were not saying no pension at all. People were saying a fair pension, a reasonable pension. They were saying fundamentally that a pension in the order of \$80,000, \$70,000, \$49,000 for somebody who is going to be collecting that pension for as much as 30 or 40 years simply is unacceptable and must be changed.

Of course, the government's proposal doesn't change these pension benefits particularly dramatically. Some pensions will change only marginally; in fact, most of the pensions will change only marginally. Worse yet, some of these pensions will change only marginally and will continue for as much as 30 or 40 or even 50 years. The hard, cold fact, Mr. Speaker, is that the total payout in pensions will be reduced very, very little by this pension proposal, the total payout to MLAs who are retiring at this time. There are 29 of them that we know about. There likely will be many, many more from that side of the House after the next election.

4:50

The 29 who are retiring now under the existing pension plan formula would receive, in total, annual pension payouts of \$1,056,303. The new formula, promoted so proudly by the Premier, will reduce that total payment by \$91,000 annually, to \$964,647. That isn't even a 10 percent reduction, Mr. Speaker. That is about a 9 percent reduction. Over time that will amount to about a \$4 million or \$5 million reduction in total, but it will leave taxpayers on the hook for a total of \$35 million in payouts to these pensioners. That does not include payouts to any MLA elected prior to 1989 who loses their seat in the upcoming election. There are, I believe, a good number of MLAs who were elected prior to 1989 who of course could lose their seats and who would significantly increase this payout under the proposal which is outlined in this Bill that has been presented by the government. It won't solve the unfunded pension liability that is attributable to these retiring MLAs, and that is significant.

So, Mr. Speaker, the irony is that the government says it has listened. If it were listening, then it would have known that the issue was the retiring MLAs and their huge pension benefits. It has acted in a very cynical and in some measure a very desperate way to distract attention from that important issue, because its proposal does not address that issue significantly.

The machinations that the government, the Premier in particular, has gone through in trying to sell this proposal are quite remarkable. He said on TV last Friday that this would result in a 25 percent reduction in pension benefits. Clearly it will not. He then said in the House, I believe, that it would result in about a 10 percent reduction. Clearly it will not. It will result in a reduction of about 9 percent over time in the pension payouts to these 29 retiring MLAs.

He went on to say yesterday in the House that really the significant issue was the amount that was going to be paid back by those MLAs who were elected in 1989 and don't have vested benefits. Well, he said there were 28 of them. There aren't 28, Mr. Speaker. There are about 18. He then said on occasion that he was going to reduce his benefits by a hundred percent and give back \$50,000 to the general revenue fund of Alberta. Highly misleading, Mr. Speaker, because of course his pension benefits haven't vested, no matching payment has been made, and therefore nothing is going back to the people of Alberta. Were the Premier

to lose his seat in the next election, he would receive exactly what he's going to receive under this plan, and nothing would go back to the people of Alberta.

In response to the allegations that there wasn't much of a reduction in pension benefits, examples being cited relating to, say, a \$4,000 reduction for a retiring member of the Conservative caucus, he said: well, I don't know about you, leader of the Liberal Party, but \$4,000 is a lot to me. Well, Mr. Speaker, if \$4,000 is a lot to the Premier, would he argue that the \$69,000 pension the one member is still going to receive is 17 times greater than what he considers to be a lot of money? I would argue that that therefore must be an awful lot of money. Again, it is the classic public relations spin of this Premier: let's take it and try and spin it off and create a distraction. Four thousand dollars is not an insignificant amount of money in some senses, but it pales by comparison in the remaining pension payout annually of \$78,000, \$69,000, \$62,000, \$40,000, \$48,000. He underlines himself in his statement that in fact these pensions are huge amounts of money and far too much to be warranted.

Again, in his effort to promote this idea, the Premier invokes the Peat Marwick report. He's quite proud to say Peat Marwick's report said to reduce pension benefits per year from 4 percent to 3 percent. What he neglects to say is that Peat Marwick went on to point out and to recommend that the age plus service requirement should be increased from 55 to 65. Well, Mr. Speaker, that isn't a component of the new proposal, so the proposal has fallen short yet again. A very, very selective use of argument and a very selective use of the Peat Marwick report. In fact, I would expect that the people who wrote that report, Peat Marwick, would be very offended by the manner in which the Premier has utilized the report.

We see a series of arguments: the devolution, the ungluing of this Premier's resolve in the face of political onslaught, in the face of pressure from the electorate. He first said it was illegal to change pension benefits retroactively. He flipped, of course, because he changed those, if only minimally. He certainly invoked the idea of retroactivity. He went on to say that it would be immoral if not illegal to change these benefits retroactively. He flipped, Mr. Speaker, because of course he did invoke this idea of retroactivity, if only marginally, if only enough so he could use that word on the hustings and somehow try to distract people from the real analysis that underlines the failure of his proposal. I remember him saying in question period the other day something about this flip and that flip and that's the great flop. How appropriate. He flipped on retroactivity; he flipped on the immoral. How convenient it is to do that. Ultimately, I think his own description of "flop" would apply very, very appropriately.

I would like to discuss just briefly the New Democrats' pension proposal. Yes, it involved retroactivity, but, Mr. Speaker, it's a very convenient proposal. It takes the existing pension plan which caps at 20 years service and puts the cap at 10 years service, and they don't change the 4 percent per year accumulated proportion of salary payout. So for anybody who has been here less than 10 years, there will be no change to their pension payout.

5:00

Well, as I survey those benches today, I note there is only one member of their caucus who has been in this House longer than 10 years, and that's their leader. It's ironic. He says his benefits will be reduced under the Tory plan by only about \$4,000, from \$40,000 to \$36,000. You know how much they'll be reduced under the New Democrat plan, Mr. Speaker? They'll be reduced from \$40,000 to \$36,000. I would like to point out that that is quite an aggressive – and I use that word cynically – and, I would

say, very self-serving New Democrat pension proposal. Their benefits do not change under their proposal.

[Mr. Deputy Speaker in the Chair]

Now, our proposal, Mr. Speaker, has four very significant elements, and these elements address the concerns raised by Albertans and, I would argue, also establish what is a proper pension program for the members of this Legislature. First of all, our proposal calls for true retroactivity: not a marginal retroactivity, not a superficial retroactivity that goes back to 1989 and then only limited for retiring MLAs, but a retroactivity that goes back to the day of election for every single MLA who was re-elected as of 1989 and has been in this House or is in this House since that time. That is true retroactivity. The fact is that for those who have a legal problem, my colleague has argued, I think very effectively, that the legal problem does not exist. For those who have a problem of morality with that kind of retroactivity, I think it is settled very well by virtue of the fact that the same people who have given themselves the benefit will be the people who are taking the benefit away from themselves. That is not immoral. In fact, if we want to talk morality, I think we have to begin to discuss the morality of \$70,000 and \$80,000 pension payouts for a lifetime.

The second element must be that the cuts are significant. Mr. Speaker, as I've argued, the annual payout on the retiring MLAs, not to mention the defeated MLAs, will be cut \$91,000 per year on \$1,056,000 per year now. That will be about 9 percent. In fact, it will be slightly less than 9 percent. So the cuts are not significant.

There must be no guarantees of payout, because the taxpayer cannot countenance that kind of expense and the guarantees we now see following the retiring MLAs are based upon an enormous unfunded pension liability.

Finally, Mr. Speaker, the proposal must solve the unfunded pension liability.

Our proposal meets each of those four elements. Our proposal, as I said, is retroactive to the date of election for everybody who was elected or re-elected in 1989. The cuts are significant; they will be \$29 million, almost \$30 million cheaper than this government's proposal. There is no guarantee required by the people of Alberta, and it will solve the unfunded pension liability that is attributable to this MLA pension plan.

What is of further concern, what is in fact particularly disconcerting, Mr. Speaker, is the display – and I'm using this word very, very loosely – of a public policymaking process implemented by this Premier. Here was a Premier who stood firm on retroactivity being illegal, stood firm on retroactivity being immoral, and in the blink of an eye changed immediately, “flipped” is the word, and flopped, and said, “No, that's different; we're going to change.” However, he went from one extreme, the most expensive, richest pension program, to another extreme that wasn't even being asked for by the electorate, the people of this province. He showed what I believe to be tremendous inconsistency in his ability to respond to the electorate, to respond to input, and a disconcerting inconsistency in the manner in which he makes policy decisions. If that is reflected in a very, very poor pension proposal – and it is – one that doesn't meet the needs of the people of Alberta, what they have expressed, it is also very disconcerting when one reflects upon the implications of that kind of policymaking for further public policymaking on the part of this government and this Premier.

Mr. Speaker, this government's proposal is unacceptable. The effect of this amendment is to see this government's proposal die

now on the Order Paper. That is what should happen to it, and that is why I support this amendment.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Currie.

MR. ANDERSON: Thank you, Mr. Speaker. It is with some difficulty that I speak on this issue. I am opposed to the amendment that's proposed. I also have concerns with the Bill that's introduced, but they do not relate in any way to the proposal made by the hon. Leader of the Opposition. In this particular discussion, I have seen in this House and in the public a set of decisions and positions taken more superficial, emotional, and politically advantageous than on any issue I've been involved with in this House in 14 years. Clearly it's emotion-packed because it affects each of us personally. It's hard for any of us to divorce that aspect from our responsibility of representing the public and consistently applying principles to those decisions we have to make.

I have to say – and I know that because of agenda items we still have to go to this afternoon, I won't have an opportunity to speak for long at this point in time – that this discussion over the past month has lacked the following. First, it has lacked true, basic facts. Those on which the debate has focused, those given by the Association of Alberta Taxpayers, have been inaccurate and inflated in the extreme. I'll be pleased to identify that further in remarks. The public media, who, with us, have a responsibility to give the public balanced facts on which to reach conclusions, have in fact focused on those statistics and on one perspective – an appropriate perspective in some respects, an appropriate question as to whether or not in these tough economic times, as the Member for Edmonton-Strathcona says, or in times when we're re-assessing here what should be appropriate for the future – but not on the basis there were decisions.

The other great disappointment – and I say this sincerely and with the best of intentions in mind – is the opportunism which has been exhibited by opposition parties on this particular issue. [interjections] Now, let me rush to say that if we had been on the other side, I am not positive that the decisions would have been different in the face of the coming election and the media emphasis that's there. But I do believe, for the good of the citizens of the province, for the consistency we are supposed to give legislation in direction, that it is wrong. I just believe it is wrong that people who have participated agreed, presumably for other good reasons, to change the focus and emphatically state a direction that is politically advantageous at this time. I know we're a political place with political parties, and we make political decisions and probably no more at any time in our province's history than right at this very moment. But I still believe it will be all Albertans who suffer in the long run if there is not a rational basis for decision-making. I'm not sure we've had that opportunity in this House or that all members have fully considered that when they've made statements and taken positions on this issue.

Mr. Speaker, I want to elaborate at length. This may be one of the last times I speak in this Legislative Assembly, and although my wisdom is something that not all people may appreciate or want, I do feel the need to present another perspective on this issue during this debate. But knowing that His Honour the Lieutenant Governor is nearby, I think it is in the best interests of our other responsibilities to move that we adjourn the debate until a further time.

MR. DEPUTY SPEAKER: Having heard the motion by the hon. Member for Calgary-Currie, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. Carried.

head:

Royal Assent

5:10

MR. DAY: Mr. Speaker, His Honour the Honourable the Lieutenant Governor will now attend upon the Assembly.

[The Deputy Premier and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

[The Sergeant-at Arms knocked on the main doors of the Chamber three times. The Associate Sergeant-at-Arms opened the door, and the Sergeant-at-Arms entered]

SERGEANT-AT-ARMS: All rise, please. Mr. Speaker, His Honour the Lieutenant Governor is without.

MR. DEPUTY SPEAKER: Sergeant-at-Arms, admit His Honour the Lieutenant Governor.

[Mr. Deputy Speaker left the Chair]

SERGEANT-AT-ARMS: Order!

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, Gordon Towers, and the Deputy Premier entered the Chamber. His Honour took his place upon the throne]

HIS HONOUR: Please be seated.

MR. DEPUTY SPEAKER: May it please Your Honour, the Legislative Assembly has, at its present sittings, passed certain Bills to which, and in the name of the Legislative Assembly, I respectfully request Your Honour's assent.

CLERK: Your Honour, the following are the titles of the Bills to which Your Honour's assent is prayed.

No.	Title
57	Electoral Divisions Amendment Act, 1993
58	Students Loan Guarantee Amendment Act, 1993
59	Pacific Western Airlines Amendment Act, 1993
60	Alberta School Boards Association Amendment Act, 1993
64	Safety Codes Amendment Act, 1993

[The Lieutenant Governor indicated his assent]

CLERK: In Her Majesty's name His Honour the Honourable Lieutenant Governor doth assent to these Bills.

SERGEANT-AT-ARMS: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and the Deputy Premier left the Chamber]

[Mr. Deputy Speaker took his place in the Chair and the Mace was uncovered]

MR. DEPUTY SPEAKER: Please be seated.

[At 5:22 p.m. the Assembly adjourned to Thursday at 2:30 p.m.]

